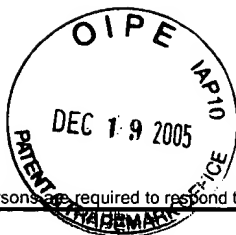


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PTO/SB/33 (07-05)

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# PRE-APPEAL BRIEF REQUEST FOR REVIEW

Docket Number (Optional)

TEQ 0117 PTUS

I hereby certify that this correspondence is being deposited with the United States Postal Service with sufficient postage as first class mail in an envelope addressed to "Mail Stop AF, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450" [37 CFR 1.8(a)]

on December 12, 2005

Signature Jackie Olshack

Typed or printed name JACKIE OLSHACK

Application Number

09/481,126

Filed

January 11, 2000

First Named Inventor

Douglas R. Elliott

Art Unit

36 28

Examiner

Harish Dass

Applicant requests review of the final rejection in the above-identified application. No amendments are being filed with this request.

This request is being filed with a notice of appeal.

The review is requested for the reason(s) stated on the attached sheet(s).

Note: No more than five (5) pages may be provided.

I am the

☐ applicant/inventor.

☐ assignee of record of the entire interest.  
See 37 CFR 3.71. Statement under 37 CFR 3.73(b) is enclosed.  
(Form PTO/SB/96)

☐ attorney or agent of record.  
Registration number \_\_\_\_\_

☒ attorney or agent acting under 37 CFR 1.34.

Registration number if acting under 37 CFR 1.34 57,191

John J. Patti  
Signature

John J. Patti  
Typed or printed name

(214) 347-4710  
Telephone number

Dec. 12, 2005  
Date

NOTE: Signatures of all the inventors or assignees of record of the entire interest or their representative(s) are required. Submit multiple forms if more than one signature is required, see below\*.

☐ \*Total of \_\_\_\_\_ forms are submitted.

This collection of information is required by 35 U.S.C. 132. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.11, 1.14 and 41.6. This collection is estimated to take 12 minutes to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Mail Stop AF, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

If you need assistance in completing the form, call 1-800-PTO-9199 and select option 2.



IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

In re application of: Douglas R. Elliott

Serial Number: 09/481,126

Filed: January 11, 2000

For: METHOD FOR OBTAINING AND  
ALLOCATING INVESTMENT INCOME  
BASED ON THE CAPITALIZATION OF  
INTELLECTUAL PROPERTY

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Group Art Unit: 3628

Examiner: Harish Dass

Mail Stop: AF  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, Virginia 22313-1450

CERTIFICATE OF MAILING

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on:

December 12, 2005  
Jackie Olshack  
Jackie Olshack

PRE-APPEAL REQUEST FOR REVIEW

Dear Sir:

This is a request for a pre-appeal conference in response to the Final Action mailed on  
October 12, 2005 in the above-referenced patent application.

## **RESPONSE**

### **STATUS OF THE CLAIMS**

Claims 1-6 stand finally rejected as noted in the Final Office Action ("Final Action") mailed October 12, 2005. Specifically, Claims 1-6 stand rejected under 35 U.S.C. §103(a) in view of U.S. Patent No. 5,126,936 to Champion ("Champion"), "The Valuation of Health Care Intangible Assets" by Reilly ("Reilly"), U.S. Patent No. 6,018,714 to Risen ("Risen"), and "From Patent To Profit: Secrets & Strategies for the Successful Inventor" to Bob DeMatteis © 1998 ("DeMatteis").

### **ISSUE**

Applicant requests that the panel review the Examiner's clear error in rejecting Claims 1-6 because the Examiner employed impermissible hindsight.

### **ARGUMENTS**

#### **1. Scope and Content of the Prior Art**

##### **1.1 Risen**

Risen discloses a purchase transaction between two parties with the addition of the purchasing party acquiring insurance. Specifically, Risen is an invention for providing insurance against an unexpected change in value of a patent. Risen talks about valuing an intellectual property, but states that assigning a monetary value to a patent can be difficult (col. 11, lns. 11-13), and proposes an alternative method of using arbitrary valuation (col. 11, lns. 24-27). Indeed, Risen implies that such a value is difficult to determine, and should be done by an expert. It is because of the difficulty of determining an accurate value for an intellectual property that Risen provides insurance against a change in projected value of the intellectual property. In particular, Risen is for use in situations where a company is acquiring another company, or investing money in another company, and the acquiring company wants insurance to protect against valuation errors made when the value of what is being acquired was performed.

##### **1.2. Champion**

In Champion, third parties (investors) invest their money in publicly traded products owned by various third parties, such as mutual funds. Specifically, Champion only addresses a system used by an account management service to manage investor funds.

1.3. Reilly

Reilly discusses using three known valuation methods (market approach, income approach and cost approach) to determine the value of a medical practice prior to selling that practice to another party. Additionally, Reilly involves making an accurate determination of the value of a medical practice, including only such intangible assets as patient relationships, relationships with insurers and referrals.

1.4. DeMatteis

DeMatteis describes licensing generally. Specifically, it discloses types of licenses, such as license to use, and exclusivity/non-exclusivity. DeMatteis also describes different two-party license arrangements, negotiating tactics, and even includes simple license agreements.

2. Differences

2.1. Risen

Nothing in Risen (which discloses a two party purchase transaction where the purchasing party acquires insurance against a change in projected value of the intellectual property) suggests or implies the buyer of a patent granting a right to use the patent back to the seller of the patent in exchange for a future monetary stream. In fact, Risen actually teaches away from the invention of the present application by compensating for the lack of an accurate method of assessment by providing insurance to protect against inaccuracies in predicting the value of a patent.

2.2. Champion

In Champion, the investors invest their money in publicly traded products owned by various third parties, such as mutual funds. Champion only addresses a system used by an account management service to manage investor funds. The present invention addresses a transaction and management system used by an investment entity for obtaining and managing an intellectual property portfolio to generate an income stream, which is a much more complicated system that is of a very different character than the comparatively easily valued publicly traded mutual funds.

2.3. Reilly

The valuation described in Reilly is for a buyer looking to acquire a medical practice of a seller. No where in Reilly is any mention made of patents forming a portion of health care

intangible assets. Additionally, nothing in Reilly implies or suggests acquiring title to intellectual property using money obtained from third parties, licensing the intellectual property, receiving a revenue stream from the licensing of the intellectual property and allocating the revenue stream to third parties in a proportion related to the initial investment of the third parties.

2.4. DeMatteis

Nothing in DeMatteis describes the use of an electronic data processing system utilized to derive an income stream by securitizing a patent estate. Instead, DeMatteis describes licenses for intellectual property generally. Licenses are well-known and have been well-known for decades. However, the use of licenses in combination with a data processing system to manage and derive income had not been done at the time of the present inventions of Claims 1-3.

3. Level of Ordinary Skill in the Art

The level of ordinary skill in the art is specifically related to managing an intellectual property portfolio. However, according to the Examiner's analysis, one of ordinary skill in the art, as pertains to the present invention, would be an artisan with an extraordinarily high degree of knowledge in very disparate arts. The level of ordinary skill in the art, as suggested by the Examiner, is evidenced by the references cited, which are particularly diverse. According to the Examiner, one skilled in this art would also be familiar with and look to the following disparate and diverse areas for guidance:

- (a) Small Professional Business Accounting, namely Medical Practice Valuation (Reilly)
- (b) Risk Management and Underwriting, namely Patent Insurance (Risen)
- (c) Investment and Brokerage Services, namely Mutual Fund Management (Champion)

Even assuming, *arguendo*, that one skilled in the art was familiar with and would refer to publications in each of these areas, however unlikely, there simply is no teaching in these references to combine them. There is no suggestion of record as to "how" or "why" one of ordinary skill would combine these disparate teachings to obtain the Applicant's invention.

In fact, none of these references sufficiently addresses or appreciates the difficulty in addressing the problem which the present inventions of Claims 1-6 solve, namely, managing a scheme that derives an income stream from a patent estate. Thus, the present invention would not have been ascertainable by one of ordinary skill in the art at the time of the invention without examining Applicant's disclosure.

4. *The Examiner Utilizing Impermissible Hindsight*

As noted above, the foregoing four references are from very different fields. It is apparent that the Examiner has based the rejection under 35 U.S.C. §103(a) in view of the foregoing references on impermissible hindsight. "One cannot use hindsight reconstruction to pick and choose among isolated disclosures in the prior art to deprecate the claimed invention."<sup>1</sup> Clearly the Examiner is using Applicant's disclosure to pick and choose among isolated and unrelated disclosures, as noted above, in the prior art to obtain the claimed inventions. Therefore, Applicant respectfully asserts that the Examiner's assertion of obviousness is based on impermissible hindsight. Accordingly, Applicant respectfully requests that the rejections of Claims 1-6 under 35 U.S.C. §103(a) in view of the foregoing references be withdrawn.

CONCLUSION

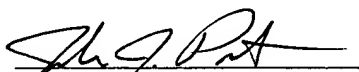
For the foregoing reasons and for other reasons clearly apparent, Applicant respectfully requests full allowance of Claims 1-6.

Applicant has included the notice of appeal and the necessary fee. Applicant does not believe that any other fees are due; however, in the event that any fees are due, the Commissioner is hereby authorized to charge any required other fees due (other than issue fees), and to credit any overpayment made, in connection with the filing of this paper to Deposit Account 50-2180 of Storm LLP.

Should the Examiner or the panel require any further clarification to place this Application in condition for allowance, the Examiner is invited to telephone the undersigned at the number listed below.

Respectfully submitted,

Dated: Dec. 12, 2005  
Storm LLP  
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Dallas, Texas 75202  
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Fax: (214) 347-4799

  
John J. Patti  
Reg. No. 57,191

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<sup>1</sup> *In re Fine*, 837 F.2d 1071 (Fed. Cir. 1988).